

STATE OF SOUTH CAROLINA

(Caption of Case)
In The Matter of:

Global Energy Franchise
Request for Special Contract
Approval for Solar Services

231624
BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2011-339 E

(Please type or print)

Submitted by: Christopher Jones

SC Bar Number: N/A

Address: 123 W. Antrim Drive
Greenville, SC 29607

Telephone: 864-908-3762

Fax: 864-627-8650

Other: 864-373-8579

Email: cjones@globalefranchise.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☒ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☒ Other: APPLICATION FOR APPROVAL

INDUSTRY (Check one)

NATURE OF ACTION (Check all that apply)

- | | | | |
|--|---|--|---|
| <input type="checkbox"/> Electric | <input type="checkbox"/> Affidavit | <input type="checkbox"/> Letter | <input checked="" type="checkbox"/> Request |
| <input type="checkbox"/> Electric/Gas | <input type="checkbox"/> Agreement | <input type="checkbox"/> Memorandum | <input type="checkbox"/> Request for Certificatio |
| <input type="checkbox"/> Electric/Telecommunications | <input type="checkbox"/> Answer | <input type="checkbox"/> Motion | <input type="checkbox"/> Request for Investigator |
| <input type="checkbox"/> Electric/Water | <input type="checkbox"/> Appellate Review | <input type="checkbox"/> Objection | <input type="checkbox"/> Resale Agreement |
| <input type="checkbox"/> Electric/Water/Telecom. | <input checked="" type="checkbox"/> Application | <input type="checkbox"/> Petition | <input type="checkbox"/> Resale Amendment |
| <input type="checkbox"/> Electric/Water/Sewer | <input type="checkbox"/> Brief | <input type="checkbox"/> Petition for Reconsideration | <input type="checkbox"/> Reservation Letter |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Certificate | <input type="checkbox"/> Petition for Rulemaking | <input type="checkbox"/> Response |
| <input type="checkbox"/> Railroad | <input type="checkbox"/> Comments | <input type="checkbox"/> Petition for Rule to Show Cause | <input type="checkbox"/> Response to Discovery |
| <input type="checkbox"/> Sewer | <input type="checkbox"/> Complaint | <input type="checkbox"/> Petition to Intervene | <input type="checkbox"/> Return to Petition |
| <input type="checkbox"/> Telecommunications | <input type="checkbox"/> Consent Order | <input type="checkbox"/> Petition to Intervene Out of Time | <input type="checkbox"/> Stipulation |
| <input type="checkbox"/> Transportation | <input type="checkbox"/> Discovery | <input type="checkbox"/> Prefiled Testimony | <input type="checkbox"/> Subpoena |
| <input type="checkbox"/> Water | <input type="checkbox"/> Exhibit | <input type="checkbox"/> Promotion | <input type="checkbox"/> Tariff |
| <input type="checkbox"/> Water/Sewer | <input checked="" type="checkbox"/> Expedited Consideration | <input type="checkbox"/> Proposed Order | <input type="checkbox"/> Other: |
| <input type="checkbox"/> Administrative Matter | <input type="checkbox"/> Interconnection Agreement | <input type="checkbox"/> Protest | |
| <input checked="" type="checkbox"/> Other: SOLAR | <input type="checkbox"/> Interconnection Amendment | <input type="checkbox"/> Publisher's Affidavit | |
| | <input type="checkbox"/> Late-Filed Exhibit | <input type="checkbox"/> Report | |

The Honorable
Ms. Jocelyn Boyd, Chief Clerk
SC Public Service Commission
101 Executive Center Dr. Ste. 100
Columbia, SC 29210

August 16, 2011

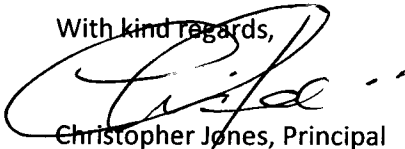
RE: Application for Approval (Solar)

Dear Ms. Boyd,

Please find enclosed our Application for Special Contract Approval for Solar Services to be filed, time-stamped and returned to us. I am unfamiliar with all the details concerning the proper procedures for filing with the commission, but I trust this will initiate the process. I am also mailing the same to the above address.

Please pardon me if you are receiving this in error, I ask that I be notified if there are any questions or concerns regarding this application. Thank you in advance for your consideration.

With kind regards,

A handwritten signature in black ink, appearing to read "C. Jones", with a large loop at the end.

Christopher Jones, Principal
Global Energy Franchise
123 W. Antrim Drive
Greenville, SC 29607
(864) 373-8579

A faint, illegible handwritten note or stamp in the bottom right corner of the page.

FRANCHISE INVESTMENT GROUP, LLC
GLOBAL ENERGY FRANCHISE
123 W. Antrim Drive
Greenville, SC 29607
(864) 908-3762

BEFORE THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION

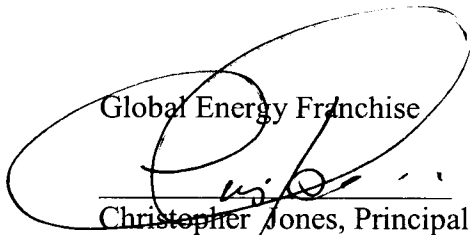
IN THE MATTER)
OF GLOBAL ENERGY FRANCHISE)
REGARDING REQUEST FOR)
SPECIAL CONTRACT APPROVAL)
FOR SOLAR SERVICES AGREEMENT)
_____)

DOCKET No: _____

**APPLICATION OF GLOBAL
ENERGY FRANCHISE FOR
SPECIAL CONTRACT
APPROVAL**

Applicant, Global Energy Franchise ("GEF"), a wholly minority-owned solar energy entity, by and through the undersigned and the current Board of Directors, hereby submits its application to the South Carolina Public Service Commission for special contract approval seeking an expedited review.

RESPECTFULLY SUBMITTED this 15th day of August, 2011.


Global Energy Franchise

Christopher Jones, Principal
123 W. Antrim Drive
Greenville, SC 29607
(864) 908-3762 office
(864)373-8579 cell

SEAL

APPLICATION FOR AUTHORITY TO TRANSACT BUSINESS IN SOUTH CAROLINA

The name of the business is: **Global Energy Franchise**, is a South Carolina Corporation with its principal office in Greenville, South Carolina.

Is a wholly minority-owned entity, registered with the South Carolina Secretary of State as an Limited Liability Corporation.

- ✓ Seeks permission to operate as a third party energy leasing equipment provider using solar photovoltaics. Targeted rural areas of South Carolina.
- ✓ Further seeks permission to interconnect with existing utility grids currently belonging to traditional electric utilities, which are licensed and permitted to operate by the South Carolina Public Service Commission.
- ✓ Applicant seeks expedited review in order to maximize federal tax incentives one of which expires the end of 2011. Global Energy Franchise proposes to finance future solar energy projects with Solar Services Agreement ("SSA").

SSA financing is effectively the only way for schools, non-profit and governmental entities to leverage the valuable tax incentives in Federal ARRA stimulus dollars for solar, which can reduce the cost of solar projects by half or more. Because of the utilization of the Federal ARRA stimulus dollars, an expedited ruling is not only justified but also vital for the best interest of the State of South Carolina. Simply put, time and resolution of this matter will prevent the State of South Carolina and this applicant from losing millions of Federal stimulus dollars that should be flowing to our state, where they are desperately needed.

This further demonstrates the need for an expedited ruling on this matter, as it is imperative that the proposed systems are operational by the end of the year to fully utilize bonus depreciation and ARRA stimulus dollars.

The facts of this application plainly demonstrates that Commission intervention on behalf of utility ratepayers is only necessary, to balance any disparity from bargaining power or to assure adequate service. The customer is always connected to the grid where rates and guidance has already been fully established. Customers will continue to receive substantial amounts of electricity from its electrical provider. This is important because if for any reason the solar panels fail to operate for any period of time of the electricity flow to the customer will be uninterrupted. For this reason, Commission regulation here, is necessary to assure the adequacy of the service provided.

The South Carolina State Constitution allows for Global Energy Franchise to operate as a third-party energy provider in this capacity.

BACKGROUND AND REQUEST FOR EXPEDITED RELIEF

Introduction

In this case, the Commission is being asked to decide whether or not Global Energy Franchise can operate as a third-party solar energy provider. Whether or not schools, the government, and other non-profit organizations will be able to utilize solar power to reduce operating expenses during these particularly difficult economic times. Specifically, the Applicant is considering several agreements to install solar panels on rooftops and provide solar in the form of ***Solar Farms***. The agreements will enable these schools, non-profits and others to utilize significant operating savings while avoiding up-front costs that could otherwise exceed several million dollars. In addition to avoiding this prohibitive up-front expense, these agreements will save the schools millions of dollars in electricity costs. As a result, these schools can use these savings to advance teacher positions and its academic mission. Furthermore, with the availability of ARRA funding, and the overwhelming need of the schools to take every opportunity to allocate these funds for student advancement, the time is absolutely right for this decision. Indeed, this decision must come quickly, as some of the essential stimulus benefits and ARRA funds expire as quickly as the end of this year and the need for cost savings for schools, non-profits and governmental entities has never been greater.

Global Energy Franchise is a subsidiary of Franchise Investment Group, LLC headquartered in Greenville, South Carolina, with 8 associates. Global Energy Franchise, (*GEF*), is set to become the southern regions' leader in solar photovoltaic production and installation, system design, financing, monitoring and related services. The company's mission is to help millions of South Carolina's citizens, homeowners, schools, community organizations and businesses to adopt solar power by lowering or eliminating the up-front costs. As a result, our customers will be protected from rising electricity costs and our environment will be protected from polluting power sources. GEF estimates that the thousands of solar panels to be installed will collectively offset a significant amount of greenhouse gas pollution.

FACTS UPON WHICH THIS APPLICATION IS BASED-THE SSA

Global Energy Franchise has proposed utilizing an innovative financing tool known commonly as an SSA because of the disproportionate front-end cost associated with the purchasing and installing a solar panel system and the inability of schools, non-profits, and governmental entities to capitalize on tax incentives for solar. The SSA or other power purchase or solar-as-a-service arrangements are- the only feasible way for non-profit organizations and government entities without a federal tax burden to take advantage of the significant federal tax and depreciation incentives associated with solar technology. Without an SSA the federal solar tax credits cannot be realized because they do not apply to non-profit, schools, or governmental entities. While the IRS rules require an SSA in order for a third party financier to be able to utilize these credits.

The typical characteristics and structure of Global Energy Franchise's SSA for schools, Non-profits and governmental agencies are as follows:

- The Customer gives Global Energy Franchise access to its property to install the solar panel system;
- Global Energy Franchise provides the Customer with the financing, design, installation, operation and maintenance of a solar panel system on the customer's property, the terms of which are described in the SSA;
- The Customer pays nothing for the acquisition, installation, or maintenance of the solar panel system;
- The Customer becomes the owner of all electricity produced the moment the electricity is produced;
- Global Energy Franchise retains the initial ownership and "use" of the system as defined in the Federal tax code, thus allowing them to capitalize on the available tax incentives which would otherwise be stranded;
- The Customer makes payments to Global Energy Franchise for the equipment and related maintenance thereof, and such payments are calculated in relation to the amount of electricity the system produces;
- Global Energy Franchise provides a buyout option to the Customer for the entire solar panel system in six (6), ten (10), and fifteen (15)-years. The amount of the buyout is reduced by the number of payment made by the Customer.
- While the electricity that the solar panel system produces results in a reduction of the customer's overall demand from the electric utility, the customer must remain connected to

the utility grid; and

- Global Energy Franchise installs the system pursuant to all applicable codes and regulations and must meet the requirements for interconnection to the utility. All activity in this regard is on the Customer's side of the meter.

In fact, the specific language of the SSA itself indicates that Global Energy Franchise actually never really owns the electricity that its solar equipment creates. The SSA states that, "...Purchaser will take title to all electric energy that the System generates from the moment the System produces such energy...". SSA agreement. (See Exhibit A). Because, as the contractor, Global Energy Franchise never owns the power and therefore, never furnishes the power to anyone. Global Energy Franchise is not in the business of transmission of electricity. Under the terms of the SSA, Global Energy Franchise role is nearly indistinguishable from a contractor who may design and build a gas generating power plant.

The Commission and the Customer is assured of fair rates and adequate service because GEF is only operating as an extension of clearly established standards, rate mandates and provisions adhered to, as well as by, and of local utilities and will not be creating any new rates or rate standards. The practices of GEF operates within the confines of the SSA which is based upon regulations set forth and governing public utilities. Due to the fact that the SSA arrangement in the context of a non-profit, schools, governmental entity is fundamentally a financing tool; the fact that a commodity is produced is merely incidental to the purpose of the SSA for those entities. Therefore, there is no public interest requirement here which requires regulation.

The legal analysis provided here demonstrate that there is simply no legal requirement that the Commission regulate any SSA of Global Energy Franchise. In this Application, Global Energy Franchise does not meet the South Carolina Constitutional definition of a PSC and no other legal tests or factors supports regulating the Company in this instance. Further, public policy certainly argues for the provision of equipment and services to schools, non-profits and governmental entities that lower their operating costs and allow them to better execute their core functions. The State Constitution and the Commission holdings on this subject matter supports a finding that an SSA which is referenced in the Application need not be regulated and the entities that would enter into an SSA with the same terms are free to save the money they so desperately need.

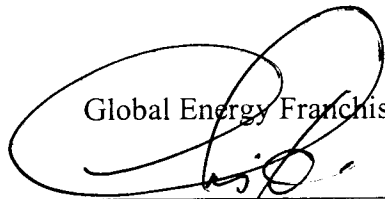
Currently, there are no known wholly minority-owned solar energy or utilities contractors or renewable energy leasing providers in South Carolina.

CONCLUSION AND REQUEST FOR EXPEDITED RELIEF

WHEREFORE, the Applicant having fully and sufficiently provided the Honorable Board Members of the South Carolina Public Service Commission material support for an expedited review and ruling that Global Energy Franchise is not subject to the jurisdiction of the PSC when it operates as a third-party solar energy provider, so that GEF and schools, non-profits and governmental entities can take advantage of Federal ARRA and the Economic Stimulus Act of 2008. Only with the Commission's quick blessings can schools and other non-profits rapidly adopt solar at which time ARRA and other stimulus funds (and significant private investment) can and will flow into the State; a multitude of jobs will be saved and/or created; and ultimately every single taxpayer will benefit economically and environmentally.

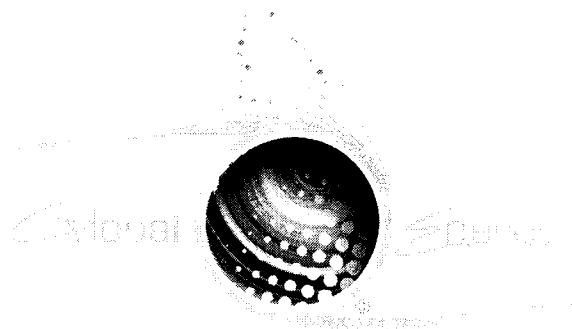
For these reasons, the Applicant respectfully requests that the Commission expeditiously enter a ruling finding that Global Energy Franchise can operate as a third-party energy provider when it enters into SSA agreements with schools, non-profits, and governmental entities consistent with the facts presented in this Application.

RESPECTFULLY SUBMITTED this 15th day of August, 2011.


Global Energy Franchise

Christopher Jones, Principal
123 W. Antrim Drive
Greenville, SC 29607
(864) 908-3762 office
(864) 373-8579 cell

SEAL



SOLAR SERVICES AGREEMENT

The GEF Solar Services Agreement (this "**Agreement**") is entered into by the parties listed below (each a "**Party**" and collectively the "**Parties**") as of the date signed by Seller below (the "**Effective Date**").

Purchaser		Seller	
Name and Address		Name and Address	
Phone		Phone	
Fax		Fax	
E-mail		E-mail	
Purchaser (check one)	<input type="checkbox"/> Owns the facility <input type="checkbox"/> Leases the facility		

This Agreement sets forth the terms and conditions of the finance, design installation, operation and maintenance of the turnkey solar panel system described in **Exhibit 2** (the "**System**") to be installed at the Purchaser's facility described in **Exhibit 3** (the "**Facility**").

The exhibits listed below are incorporated by reference and made part of this Agreement.

- | | |
|-----------|------------------------------|
| Exhibit 1 | Finance Attachment |
| Exhibit 2 | System Description |
| Exhibit 3 | Purchaser's Facility |
| Exhibit 4 | Delivery Point |
| Exhibit 5 | License Area |
| Exhibit 6 | Memorandum of License |
| Exhibit 7 | General Terms and Conditions |

Purchaser:

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Signature: _____

Printed Name: _____

Title: _____

Date: _____